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SUBJECT: The PLO Threat to US Interests

NESA M#85-10219

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Central Intelligence Agency



Washington, D. C. 20505

DIRECTORATE OF INTELLIGENCE

7 November 1985

THE PLO THREAT TO US INTERESTS

Summary

United States interests--particularly in the Middle East and Europe--are likely to become primary targets for various PLO factions seeking to avenge the US intercept of the Achille Lauro hijackers and alleged US collusion in Israel's raid on PLO headquarters in Tunis. Palestinian leaders have long been frustrated with Washington for what they view as unquestioned support for Israel, and we believe their attitude has now moved to outright anger. PLO Chairman Arafat has stated publicly that the PLO has a "right to pursue" US personnel--a statement PLO hardliners will interpret as Arafat's approval to attack US interests. Arafat may try to rein in some PLO operations to blunt the damage to his international image and to his already strained relations with Jordan's King Hussein. But Arafat will not be able to control the actions of all PLO factions--nor will he want to do so in the interest of preserving his role as PLO leader. In his view, PLO operations against US officials or facilities help ensure the United States perceives the PLO as a viable national liberation movement with which Washington must reckon in its pursuit of a negotiated settlement to the Palestinian problem.

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PLO Chairman Arafat has long followed a two-track policy that allows him simultaneously to pursue a diplomatic solution to

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the Palestinian problem while condoning military operations against Israel. Many Palestinian leaders believe the PLO must carry on the "armed struggle" with Israel until they get to the negotiating table so they can negotiate from a position of strength rather than weakness. Arafat undoubtedly is sympathetic to this view and probably believes he must support operations to maintain his leadership credibility. [REDACTED]

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Nevertheless, since the mid-1970s Arafat had enforced a ban on operations outside Israel and the occupied territories in hopes of enhancing the PLO's international credibility. Until recently all PLO factions abided by Arafat's restriction; only the Abu Nidal and the 15 May organizations, two extremist groups outside the PLO, conducted international terrorist operations. [REDACTED]

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Since the rebellion against Arafat within Fatah in 1983 and the subsequent splintering of PLO ranks, however, several Syrian-supported PLO factions have undertaken wideranging attacks against Israeli interests. The Fatah dissidents, headed by Abu Musa, for example, claimed responsibility for an attack on the Israeli embassy in Cyprus in the fall of 1984. [REDACTED]

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Evidence is growing that members of Arafat's own Fatah organization also are involved in carrying out terrorist operations outside Israel and the occupied territories. We believe Fatah was responsible for several attacks on Syrian interests inside Syria and in Europe during the last year. A number of embassy [REDACTED] reports indicate Arafat approved several attacks on Syrian facilities in retaliation for the assassination by Syrian-aided Palestinians of PLO Executive Committee member, Fahd Qawasmah, last December. Moreover, Fatah Force 17, an elite special commando unit that evolved from Arafat's personal security guard, almost certainly was responsible for the killing of three Israeli yachtsmen in Cyprus in late September. [REDACTED]

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Such action suggest that Arafat supporters, who have been willing to wait and see if Arafat's dialogue with King Hussein would reap real dividends--such as recognition by the United States--have lost patience and have returned to the "armed struggle." [REDACTED]

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US Interests Now Threatened

We believe that US citizens and facilities are particularly vulnerable to PLO attacks in the wake of the US intercept of the Achille Lauro hijackers and the alleged US support for Israel's raid on PLO headquarters in Tunis. Many Palestinians are convinced that the only way Israel could have staged the longrange attack was with US assistance. They argue the raid proves their claims that Israel and the US are working hand-in-glove to destroy the PLO. [REDACTED]

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We believe PLO attitudes toward Washington have changed from frustration to anger since the US interception of the Achille Lauro hijackers. Arafat believes Washington accused PLO officials unjustly and ignored the help the PLO provided in getting the hostages released. Since the US operation, we have seen numerous reports and statements warning about potential threats to US interests. Arafat and other senior Fatah leaders have stated publicly that the PLO will attack US interests. In an interview to the London Press, Arafat said "we have the right to pursue US diplomats and pilots responsible for the hijacking." Hani al-Hassan, one of Arafat's most pragmatic Fatah lieutenants, also sharply criticized the US action and warned that the "PLO would strike at US and Israeli interests everywhere."

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We believe US citizens and facilities in Europe and the Middle East are most vulnerable to attack because Palestinian operatives are most active in these areas. US diplomatic and military personnel are prime targets, but American businesses also are vulnerable. At least ten US embassies throughout the world have received bomb threats since the US intercept operation. Threats against embassies in Amman and Tunis or the US Consulate in Jerusalem are not unusual, but bomb threats have also been received by US embassies and consulates in the Hague; Bucharest; Bonn, and Barcelona.

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Palestinians are likely to employ other potentially dangerous forms of protest against the United States. Anti-American marches and rallies already have been conducted outside US embassies and consulates in Cairo, Baghdad, New Delhi and Sydney. Such action could lead to riots and attempts to overrun the embassy, as was the case in Iran and Islamabad in 1979.

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PLO Operational Capabilities

Despite the Israeli invasion of Lebanon in 1982 and the subsequent dispersal of Palestinian fighters throughout the region, we believe the PLO has maintained an effective terrorist network capable of mounting operations when desired.

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Syrian-supported Palestinian radicals, such as the Popular Front for the Liberation of Palestine-General Command (PFLP-GC) and the Palestine Struggle Front (PSF), continue to stage operations of their own and to train other terrorist groups. The PFLP-GC, for example, has long provided technical assistance in the use of explosive devices to various terrorist groups, including radical Lebanese Shia organizations.

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Three groups within Arafat's Fatah organization--the Western Sector, Force 17, and the United Security Organization--also continue to plan, direct and stage operations. Western Sector and Force 17 personnel have focused their operations against Israel, but we cannot rule out the possibility that they will

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extend their actions to attack US interests if targets of opportunity are found. [REDACTED]

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Salah Khalaf, chief of the United Security Organization, is the only Fatah leader to have directed attacks against the United States in the past. Khalaf is the former head of the Black September Organization, which was responsible for the kidnapping and murder of the US Ambassador and Deputy Chief of Mission in Sudan in 1973. The Black September group also staged the massacre of Israeli athletes at the 1972 Munich Olympics. Khalaf has long advocated a more militant approach to resolving the Palestinian problem. He may now direct his anger not only at Israel, but at Israel's main benefactor--the United States.

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Khalaf's headquarters are in Tunis, but his main operational base is in East Berlin. Khalaf also may have smaller offices in Algeria and East European States such as Yugoslavia, Bulgaria and Czechoslovakia. We believe Khalaf's extensive infrastructure in Europe puts him in a particularly good position to strike at US interests in the region. [REDACTED]

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Outlook

Notwithstanding Arafat's public statements calling for attacks on US interests, we believe he will try to rein in some Fatah and other PLO operations against the United States. In so doing, Arafat will aim to blunt further damage to the PLO's international image and keep the diplomatic option alive. Arafat has a vested interest in maintaining his dialogue with King Hussein because it gives the PLO greater access to Jordanian territory and thus closer proximity to the occupied territories for attacks against Israeli citizens and facilities there.

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Nevertheless, Arafat probably will not be able to stem all Fatah-associated terrorist activity against the United States nor will he see it as in his interest as PLO Chairman to do so. His prime motivation is to preserve his leadership position within the PLO and to do that he must at least maintain the unity of Fatah, by far the largest of the eight PLO factions. To this end, we judge that Arafat will give into pressure from key Fatah hardliners, including Salah Khalaf for operations against both Israel and the United States in the wake of the recent events.

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Moreover, Arafat has given his general approval for operations against Israel, and is not always informed of the details. [REDACTED] internal rivalries among Arafat's senior Fatah officials have resulted in operations without his specific approval. [REDACTED]

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Arafat, in our view, will dramatically step up terrorist operations against US targets--despite further damage to his tarnished international respectability--if he becomes convinced that the PLO has been maneuvered out of the peace process. We believe he would then conclude that the only way to draw attention to the PLO's grievances with Israel is to stage more frequent terrorist "spectaculars", not only against Israel but against Israel's prime benefactor--the US. [REDACTED]

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